

SENATE BILL REPORT

SB 5569

As Reported By Senate Committee On:
Labor, Commerce & Trade, February 22, 1995

Title: An act relating to international development and capital projects.

Brief Description: Establishing the office of international capital projects.

Sponsors: Senators Fraser, Newhouse, Franklin, Swecker, C. Anderson and Sheldon.

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/13/95, 2/22/95 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5569 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse and Palmer.

Staff: Patrick Woods (786-7430)

Background: A considerable number of major urban and rural development projects, which are often referred to as "capital projects," are undertaken each year throughout the world. A large percentage of the projects are funded through international financial institutions such as the World Bank, Africa Bank or Asian Bank. The projects are of such magnitude that they require the expertise and resources of a consortium of businesses. Additionally, initial government involvement is often advantageous for businesses attempting to secure contracts for capital projects.

Summary of Substitute Bill: A pilot program named the Office of Capital Projects is established within the Department of Community, Trade and Economic Development. The office is required to: assist businesses in the development of business consortiums; assist consortiums to market their products and services in international markets; compile information on capital project opportunities; provide initial assistance to consortiums and individual businesses in securing capital project contracts; and cooperate with other state agencies in facilitating tours and exchange programs to develop economic and social relationship.

The office may seek and receive funds from public and private sectors, and coordinate with other governmental agencies. It may also charge reasonable fees for the use of its services. Contracts entered into by consortiums or individual businesses do not constitute a contract with the state or a lending of the state's credit. The office is prohibited from entering into a binding contract with foreign governments.

The office is scheduled to terminate under the sunset process on June 30, 2001. The Legislative Budget Committee is required to review the number of firms, the number of jobs created and retained and the level of satisfaction among firms assisted by the office.

Substitute Bill Compared to Original Bill: The substitute bill permits the office to contract out its services to the private sector and directs the office to establish an advisory committee to prioritize its efforts to ensure effectiveness.

The appropriation is increased from \$100,000 to \$200,000 for the biennium.

Appropriation: \$200,000.

Fiscal Note: Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Office of Capital Projects could be of assistance to Washington firms attempting to acquire major contracts overseas.

Testimony Against: None.

Testified: Stephen Odom, CTED (pro); Bob Randolph, Governor's Office.